



County of Los Angeles

CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

April 28, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

STATE LEGISLATIVE UPDATE

Pursuit of County Position on Legislation

AB 1738 (Assembly Health Committee), as amended on April 21, 2003, would lower the hot holding temperature requirement for the retail food industry from 140°F to 135°F. **Consistent with Board policy adopted on February 18, 2003 to support this change to the hot holding temperature requirement, our Sacramento advocates will seek passage of AB 1738.** The measure passed the Assembly Health Committee on consent on April 23, 2003 and now proceeds to the Assembly Appropriations Committee. AB 1738 is sponsored by the California Retail Food Safety Coalition, and supported by Houston's Restaurant. There is no registered opposition.

SB 139 (Brulte and Scott) was amended on April 22, 2003 to include most of the improvements to the Safe Haven Law adopted by the Board as a County-sponsored goal for the 2003-04 legislative session. The bill now includes provisions to: 1) protect the confidentiality of a parent who surrenders a child, 2) require safe haven sites to post uniform signage, 3) expand the definition of a safe haven site to include any location designated by a board of supervisors, 4) require a safe haven site to notify child protective services as soon as possible after an infant is surrendered, 5) require child protective services to report information regarding the child to the California Missing Children Clearinghouse and the National Crime Information Center, and 6) clarify that possession of the ankle bracelet identification does not establish parentage or a right to custody of the child.

Consistent with Board policy to sponsor these improvements, our Sacramento advocates will seek passage of SB 139 as a County-sponsored measure. SB 139 is scheduled for hearing on April 29, 2003 in the Senate Judiciary Committee. The bill is supported by the District Attorney, the San Bernardino County Sheriff and the American College of Obstetricians and Gynecologists. There is no registered opposition.

AB 1480 (Richman), as amended on April 21, 2003, would make significant changes in workers' compensation law. It would enable an employer to contract with a preferred provider organization (PPO) for health care services to injured employees. Current law authorizes contracts with licensed health care providers. The employee would have the right to select a medical provider to diagnose or treat the work-related injury from within the PPO network and obtain a second opinion from any participating provider.

AB 1480 would also 1) require payment of non-contested medical bills within 45 days and increase the payment by 10 percent if it is not made within the 45 day period, rather than after 60 days as in current law, 2) increase from 10 percent to 25 percent the penalty for an unreasonable delay or denial of benefits but it would be limited to the actual delayed payment, rather than past, present or future payments as is currently the case, 3) provide that permanent disability payments be made at the same weekly rate as temporary disability, and 4) would require a job applicant to disclose whether he or she has ever been convicted of making false or fraudulent claims to obtain workers' compensation benefits or other acts of fraud.

CAO Risk Management indicates that AB 1480 would result in cost savings to the County. Specifically, the ability to utilize a PPO for the treatment of work-related injuries and a second opinion could provide the County with an estimated \$5 million per year savings, and the limitation of fines related to the delayed payments could result in savings of as much as \$2 million per year. **Therefore, our Sacramento advocates will support AB 1480.** Support of AB 1480 is consistent with Board policy to support reforms to workers' compensation and disability retirement which would ensure an efficient, equitable and cost-effective system.

AB 1480 was introduced on February 23, 2003 and re-referred to the Assembly Committee on Insurance after the April 21, 2003 amendments, with a hearing date scheduled for April 30, 2003. It has the support of the California Chamber of Commerce, California Space Authority, California State Association of Counties (CSAC), Insurance Agents and Brokers Legislative Council, League of California Cities, Liberty Mutual Insurance, National Federation of Independent Businesses and the Redondo Beach and Simi Valley Chambers of Commerce. There is no registered opposition.

Status of County-Interest Worker's Compensation Legislation

The following workers' compensation bills were heard in the Senate Committee on Labor and Industrial Relations on Wednesday, April 23, 2003.

County-opposed SB 125 (Chesbro), which would extend public safety workers compensation benefits to Welfare Fraud Investigators, passed on a 5 to 2 vote. The bill now awaits assignment by the Senate Rules Committee.

County-supported SB 223 (Margett), which would require hospitals, clinics and physicians to prescribe and provide the generic drug equivalent, if available, on workers' compensation cases, failed passage on an 8 to 0 vote.

County-supported SB 365 (Johnson), which would revise the circumstances under which the employer is liable for workers compensation benefits to include, instead, that employment be the predominant cause of the injury compared to all other causes combined, and that the injury was not caused by commission of a criminal act in which the employee is involved, failed passage on a 3 to 5 vote.

County-supported SB 457 (McPherson), which would require that the delayed portion of a workers' compensation payment that was unreasonably delayed or refused be subject to a 25 percent fine instead of a 10 percent fine on the entire amount, was held in Committee until next week at the request of the author.

County-opposed SB 629 (Soto), which would provide licensed health care professionals who contract a blood-borne infectious disease a presumption that it is job-related for disability retirement purposes, passed on a 5 to 3 vote. The bill now awaits assignment by the Senate Rules Committee.

County-supported SB 714 (Battin), which would require medical reports on workers' compensation claims to apportion the degree to which a claimant's current illness or injury is work-related or the result of past injuries or illness that may, or may not be, job-related, failed passage on a 3 to 5 vote.

Status of County-Interest Legislation

County-opposed AB 1470 (Vargas) will be heard in the Assembly Human Services Committee on Tuesday, April 29, 2003. AB 1470 would authorize an increase in IHSS wages and benefits by voter initiative. Our Sacramento representatives, along with the California State Association of Counties, the County Welfare Directors Association, the Urban Counties Caucus and other counties, will continue to oppose the bill.

County-opposed SB 465 (Soto), which would allow for expansion of transit villages and weaken current redevelopment law that curbs abuse, passed the Senate Local Government Committee by a vote of 4 to 3. Although the bill was amended to allow for continuation of currently required pass-through payments that protect the County, it still contains provisions that weaken blight findings and extend the tax increment benefit to 60 years. We will continue to oppose SB 465 which will be considered next by the Senate Appropriations Committee. No hearing date has been set.

County-sponsored SB 726 (Romero) will be heard in the Senate Revenue and Taxation Committee on Wednesday, April 30, 2003. SB 726 would authorize a county board of supervisors to levy a local tax of up to 5 percent on the sale of beer, wine and distilled spirits when they are sold for on-site consumption. Supervisor Gloria Molina will be testifying before the Committee.

We will continue to keep you advised.

DEJ:GK
MAL:JF:ib

c: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants